

**DEPARTMENT OF VETERANS AFFAIRS
Washington DC 20420
JAN 27, 2006**

**The Honorable J. Dennis Hastert
Speaker of the House
U. S. House of Representatives
Washington, DC 20515**

Dear Mr. Speaker:

In accordance with section 5(d) of the Federal Financial Assistance Management Improvement Act of 1999, P.L. 106 -107, enclosed is the Department of Veterans Affairs' (VA) Supplement to the government-wide Annual Progress Report on Implementation of Public Law 106-107.

Should you have any questions on the Supplement, please have a member of your staff contact Dr. Tom Garin, VA Grants Management Coordinator, at 202-273-9390.

Sincerely yours,

**Dennis Duffy
Acting Assistant Secretary for Policy,
Planning, and Preparedness**

Enclosure

DEPARTMENT OF VETERANS AFFAIRS SUPPLEMENT TO THE GOVERNMENT-WIDE REPORT ON IMPLEMENTATION OF PUBLIC LAW 106-1 07

I. BACKGROUND

This document is the Department of Veterans Affairs' (VA) Supplement to the government-wide Annual Progress Report on Implementation of Public Law 106-1 07, the Federal Financial Assistance Management Improvement Act of 1999. This report summarizes VA's government-wide and agency efforts to streamline and simplify its grants process and activities for the period May 2004 through May 2005.

II. PARTICIPATION IN THE GOVERNMENT-WIDE STREAMLINING AND GRANTS.GOV EFFORTS

- The State Home Construction program, VA Homeless Grant/Per Diem program, and State Veteran Cemetery Grants program have all transitioned to the Health and Human Services payment management system. This supports on-line requests for reimbursements, shortens the reimbursement process, and improves internal controls for the grants management process.
- Due to constraints in allocating resources amongst competing priorities, VA has not participated in either the Grants Management Line of Business or the P.L. 106-107 work groups and teams. VA will be more active in fiscal year 2006.

III. INTERNAL VA EFFORTS TO CREATE AN ENVIRONMENT CONDUCIVE TO GRANTS STREAMLINING AND SIMPLIFICATION

A. General Approach

- VA has established a Grants Management workgroup composed of representatives from each VA grant program and key supporting offices. VA has updated its applicable 38 C.F.R. provisions to make them consistent with government-wide policy as reflected in the revised OMB Circular A-1 33, with changes to VA's internal handbook and directive to follow.

B. Electronic Synopsis

- The VA State Cemetery program is fully compliant with both FIND and APPLY functions of Grants.gov. The VA Homeless Grant/Per Diem program and the VA State Home Construction program have transitioned to FIND and are currently in the process of transitioning to APPLY.